Congress of the United States Washington, DC 20515

July 19, 2006

The Honorable Mark W. Everson Commissioner Internal Revenue Service 1111 Constitution Avenue, NW Washington, D.C. 20224

Dear Commissioner Everson:

MAKK:

We are writing to express our deep concern over the decision by the Internal Revenue Service (IRS) to move forward with plans to contract out some tax collection responsibilities to private companies.

As you know, on June 14 the House of Representatives overwhelmingly passed its Fiscal Year 2007 Transportation-Treasury-HUD-Judiciary-DC appropriations bill. Included in this legislation is a provision (Section 209) that expressly prohibits the use of IRS funds to enter into, renew, extend, administer, implement, enforce or provide oversight of tax collection contracts with private companies.

In light of this legislation, we were disappointed to learn that the IRS is nonetheless beginning the process of hiring three private firms to pursue as many as 40,000 Americans who owe back taxes. Considering that these activities may be forced to cease in October when the next fiscal year begins, we strongly encourage you to halt this program before any sensitive taxpayer information is handed over to the private sector.

While we all want a system that efficiently and effectively collects taxes, such a system must be fiscally sound and not violate taxpayers' rights or privacy. To this end, we continue to have fears that the IRS plan does not have appropriate safeguards in place to ensure that taxpayer data is protected from identity thieves. We are concerned that private companies will harass and intimidate taxpayers into paying debts that may not be legitimate. And we oppose handing over up to 24 percent of the collected debts to these companies -- especially when the IRS can carry out these same activities with an overhead of only 3 percent. It is clear that this type of system would be ripe for abuse and harassment, and is a bad deal for all taxpayers.

Again, in light of the approval by the House of Representatives of legislation to halt this program, we respectfully request that its implementation not go forward until work on the fiscal year 2007 TT-HUD appropriations bill is complete.

Thank you for your prompt attention to this matter. We look forward to your response.

Sincerely,

Rob Simmons

Member of Congress

Chris Van Hollen

Member of Congress

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